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Chairman: Mr. MacKay ..... (New Zealand)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

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The meeting was called to order at 10.10 a.m.

Agenda item 108: Programme budget for the biennium 2004-2005 (*continued*)

Administrative arrangements for the International Trade Centre (A/59/405 and A/57/543)

Progressive implementation of article 20 of the statute of the Office of the United Nations High Commissioner for Refugees (A/59/294)

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Request for a subvention to the United Nations Institute for Disarmament Research resulting from the recommendations of the Board of Trustees of the Institute on the work programme of the Institute for 2005 (A/C.5/59/3 and Corr.1 and Add.1; A/59/553 and Corr.1)

Inspection of programme management and administrative practices of the International Trade Centre UNCTAD/WTO (A/59/229)

Conditions of service and compensation for members of the International Court of Justice, judges of the International Criminal Tribunal for the Former Yugoslavia, judges of the International Criminal Tribunal for Rwanda, ad litem judges of the International Criminal Tribunal for the Former Yugoslavia and ad litem judges of the International Criminal Tribunal for Rwanda (A/59/557; A/C.5/59/2 and Corr.1)

1. **Mr. Sach** (Director of the Programme Planning and Budget Division), introducing the report of the Secretary-General on the administrative arrangements for the International Trade Centre (ITC) (A/59/405) said that ITC operated, from an administrative point of view, on the basis of arrangements agreed upon in 1974 between the United Nations and the General Agreement on Tariffs and Trade (GATT) and reviewed in 1998 and 1999. Although those arrangements had proven effective from a programme standpoint, they had resulted in some duplication from a budget standpoint. Both the United Nations and the World Trade Organization (WTO) had changed their budgeting procedures, the former replacing a four-year medium-term plan with a biennium-based strategic framework, and the latter replacing its annual budget cycle with a biennium budget cycle coinciding with that of the United Nations. There was therefore an opportunity to streamline current procedures, and the General Assembly, in its decision 57/572, h' endorsed the proposal to initiate consultations with ITC and WTO for a joint review of the ar. ngements.

2. The Secretary-General recommended that the technical foundations for the existing administrative arrangements should remain unchanged; that the ITC budget outline should be discontinued and replaced by a simplified fascicle in the United Nations format, indicating the agreed level of resources, for submission to the General Assembly and the WTO General Council; that the strategic framework for ITC should be submitted to the Committee for Programme and Coordination (CPC), to the WTO General Council and to the Trade and Development Board of the United Nations Conference on Trade and Development (UNCTAD); and that — because of the different budget-presentation requirements of ITC, WTO and the United Nations — ITC should continue to present two budget fascicles with the same information in different formats and should endeavour to harmonize the two documents to reduce the workload involved. The General Assembly would be requested to take note of the report and to endorse its recommendations.

3. Introducing the report of the Secretary-General on the progressive implementation of article 20 of the statute of the Office of the United Nations High Commissioner for Refugees (UNHCR) (A/59/294), he said that the report was a response to the request of the General Assembly, in resolution 58/270, for a proposal regarding the progressive implementation of article 20 of the statute of the Office to be submitted to it at its fifty-ninth session. The report described the efforts made to that end over the previous two bienniums and recommended the continuation of a gradual increase in the contribution from the Organization's regular budget towards the management of UNHCR.

4. In the proposed programme budget for the biennium 2002-2003 it was proposed that there should be a move to a situation in which the regular budget covered 50.8 per cent of the management and administrative post and non-post costs of UNHCR. The Organization's contribution would continue to increase at a rate similar to that applied for the bienniums 2002-2003 and 2004-2005, in order to contribute to the

progressive implementation of article 20. The General Assembly might wish to take note of the report, with the understanding that proposals for subsequent increases in the United Nations contributions to the management and administrative costs of UNHCR would be submitted for its review in the context of the proposed programme budgets for future bienniums.

5. Introducing the note by the Secretary-General on the financial viability of the United Nations Institute for Training and Research (UNITAR) (A/59/271), he said that the General Assembly, in resolution 58/272, had requested the Secretary-General to invite the Board of Trustees of UNITAR to rationalize the Institute's financial structure, and had expressed its intention to revert to the question at its fifty-ninth session. The UNITAR Board of Trustees, during its forty-second session (27 to 29 April 2004), had made recommendations which were attached as an annex to the report under consideration and of which the General Assembly was recommended to take note.

6. Introducing the note by the Secretary-General on the request for a subvention to the United Nations Institute for Disarmament Research (UNIDIR) for the calendar year 2005 (A/C.5/59/3 and Corr.1 and Add.1), he said that two elements were involved. The first was the request for a subvention of $227,600 from the regular budget of the United Nations, representing 15 per cent of the total of voluntary contributions to the Institute (A/C.5/59/3 and Corr.1). The second was a response to the request of the General Assembly, in part III of its resolution 58/272, for the Secretary-General to report to it at its fifty-ninth session on the continuing need for a subvention to the Institute (A/C.5/59/3 and Add.1). That response emphasized that the subvention was not intended to save a failing entity, but rather to sustain its administrative structure and safeguard the independence of its Director. It was recommended that the General Assembly should approve the recommendation of the Board of Trustees of the Institute for a subvention and take note of the report on the continued need for such a subvention. He wished to emphasize that the necessary appropriation had already been included under section 4, Disarmament, of the programme budget for the biennium 2004-2005.

7. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the note by the Secretary-General on the inspection of programme management and administrative practices of the International Trade Centre UNCTAD/WTO (A/59/229), said that the inspection by the Office of Internal Oversight Services (OIOS) had concluded that the International Trade Centre had established a well-defined niche in trade-related technical cooperation and that Member States increasingly recognized its contributions to trade development. That was evident from references to its activities in the declaration of the WTO Ministerial Conference in Doha and the Consensus adopted by the International Conference on Financing for Development in Monterrey, and from the increase in Member States' contributions for activities additional to those financed from the regular budgets of the United Nations and WTO.

8. The ITC Global Trust Fund had given the Centre operational flexibility in using technical cooperation resources while maintaining control by recipient and donor countries over the parameters of their use, through the Consultative Committee. The Trust Fund could be held up as an example of best practice for other United Nations entities to emulate. The Centre employed a variety of delivery mechanisms for its products and services and gave special attention to the needs of the least-developed countries and of small and medium-sized enterprises. Research was increasingly oriented towards the design and testing of competitiveness-enhancement tools and the streamlining of the process of field-level adaptation. The Centre acted in partnership with other technical cooperation agencies in the design and delivery of multi-agency and multi-country projects.

9. The feedback which OIOS had received from stakeholders on the relevance and quality of ITC services had been positive, and ITC itself had taken steps to determine the usefulness of its products and services and to disseminate lessons learned. Another measure of the value which clients saw in the work of ITC was their willingness to contribute financially to it: the volume of ITC revolving funds replenished by contributions from beneficiaries had almost doubled between 2001 and 2003.

10. The results-based elements which ITC had introduced into its planning and monitoring systems, especially the Projects portal, which made it possible to track the financial status of projects, and the Integrated Monitoring and Document Information System (IMDIS), which made it possible to monitor the delivery of outputs and the attainment of expected accomplishments, had substantially improved

management transparency. In order to strengthen planning and implementation of the work programme throughout the Centre, OIOS had made recommendations aimed at deepening the commitment to results-based management and achieving greater coherence among the monitoring and reporting systems in place. In other recommendations OIOS urged more horizontal communication between staff and managers and more goal-oriented planning in the Human Resources Section. The Centre had accepted all 12 of the recommendations of OIOS and had taken action to begin implementing them.

11. **Ms. Brzak-Metzler** (Office of Human Resources Management), introducing the report of the Secretary-General on conditions of service and compensation for officials other than Secretariat officials (A/C.5/59/2 and Corr.1), said that the General Assembly, by its resolution 56/285, had decided that the conditions of service and remuneration for the members of the International Court of Justice (ICJ) and the judges of the International Tribunal for the Former Yugoslavia (ICTY), the judges of the International Criminal Tribunal for Rwanda (ICTR) and the ad litem judges of ICTY should next be reviewed at its fifty-ninth session. The General Assembly had also decided, by its resolution 57/289, that the conditions of service of the ad litem judges of ICTR should also be reviewed at its fifty-ninth session.

12. In section II of the report (paras. 4 to 9), the Secretary-General expected the view that the annual emoluments of the members of the International Court of Justice should be maintained at $160,000 and that the local-currency floor/ceiling mechanism introduced in 1987 by the International Civil Service Commission to protect staff against the weakening of the dollar should continue to apply to them. Paragraphs 10 to 18 described the operation of that mechanism in further detail, particularly in connection with the 26.8 per cent depreciation of the dollar against the euro since January 2002, and the 17.4 per cent increase in the consumer price index for the Netherlands between January 1999 and May 2004. Paragraphs 19 to 31 summarized other benefits and allowances, while paragraphs 32 to 44 described the successive General Assembly reviews of pension benefits for members of the Court, and the concern expressed by its Registrar regarding the level of pensions received by former judges and surviving spouses.

13. In section III of the report, concerning judges of the International Tribunal for the Former Yugoslavia, judges of the International Criminal Tribunal for Rwanda and the ad litem judges, paragraphs 45 to 48 described the background to the determination of the terms and conditions of service of the judges concerned, while paragraph 49 indicated that the General Assembly, in its resolution 56/285, had decided to maintain the judges' annual salary at $160,000. Paragraphs 50 to 58 described other benefits and allowances, while paragraphs 59 to 65 dealt with the level of pensions, including the Advisory Committee's recommendation that pension benefits for judges of ICTY and ICTR should be based on that of members of the Court, prorated to account for the difference in the terms served by the members of the Court (nine years) and the judges of the Tribunals (four years). Paragraphs 63 to 65 reported the concerns of ICTY that there was a significant disparity between the conditions of service of its judges and those of members of the Court. Paragraphs 66 to 83 described the conditions of service of the ad litem judges.

14. Section IV of the report contained the outcome of the review and recommendations, including a 10.6 per cent increase in emoluments (paras. 88 and 97), the application of the floor/ceiling mechanism (para. 89), a review of the level of the education grant (para. 90) and pension increases (paras. 94 and 95). No changes were proposed to arrangements for ad hoc judges during the current periodic review (para. 96).

15. Section V of the report regarding financial implications, as amended in document A/C.5/59/2/Corr.1, indicated estimated programme budget implications for 2004-2005 of $1,041,200.

16. **The Chairman** drew the attention of the Committee to the related reports of the Advisory Committee contained in documents A/59/543, A/59/553 and Corr.1 and A/59/557, and to the texts of its oral report on the financial viability of the United Nations Institute for Training and Research and of its oral statement on the progressive implementation of article 20 of the statute of the Office of the United Nations High Commissioner for Refugees, which had been distributed during the present meeting.

17. **Ms. Skaare** (Norway) said that United Nations humanitarian organizations should receive much larger contributions from the regular budget. The overall objective of the Office of the United Nations High

Commissioner for Refugees (UNHCR), and a priority task for the Organization as a whole, was to assist governments to protect refugees. However, only 2.6 per cent of the budget of UNHCR was covered by the United Nations regular budget.

18. In his report, the Secretary-General had described the increases in regular budget contributions to UNHCR over the previous two bienniums as limited and had proposed that such increases should continue in forthcoming bienniums. Her delegation took the view that the Secretary-General's ambitions were too modest and, in light of the fact that General Assembly resolution 58/270 contained a request for a proposal for the progressive implementation of article 20 with a view to its full implementation, had been surprised to learn that his proposal entailed moving to a situation in which the regular budget would cover only 50.8 per cent of the management and administrative post and non-post costs of UNHCR.

19. **Mr. Mirmohammad** (Islamic Republic of Iran) said that, in accordance with paragraph 49 of General Assembly resolution 58/270, the ultimate aim of the Secretary-General's proposal should be the full implementation of article 20 of the statute of UNHCR. However, paragraph 6 of the Secretary-General's report, in which he proposed that the regular budget should cover only 50.8 per cent of the management and administrative post and non-post costs of the Office of the High Commissioner, seemed to contradict the aforementioned resolution. His delegation looked forward to discussing the issue in greater depth during the informal consultations.

20. **Mr. Yoo** Dae-jong (Republic of Korea) said that the international community must, as a matter of urgency, enhance its capacity to protect refugees. His delegation was deeply concerned about the plight of over 17 million individuals, particularly women and children, who were living outside their countries of origin as refugees and were extremely vulnerable to human rights abuses. The Office of the United Nations High Commissioner for Refugees must devote due attention to those individuals and his delegation therefore supported the Secretary-General's proposal in the hope that it would enable UNHCR to secure the resources necessary for the effective implementation of its mandate.

21. **Ms. Kuroda** (Japan) said that she had taken note of the Secretary-General's proposal contained in document A/59/294. She would appreciate further clarification regarding the scope of that proposal and its budgetary and practical implications.

22. **Mr. Simancas** (Mexico), referring to the note by the Secretary-General on the financial viability of the United Nations Institute for Training and Research (A/59/271), welcomed the steps taken to streamline the financial structure of the United Nations Institute for Training and Research (UNITAR). However, as stated in paragraph 3 of the annex to the note, the level of non-earmarked voluntary contributions remained too low to make the training courses for diplomats and accredited delegates sustainable. The Board of Trustees had therefore requested that the Executive Director should ensure that any further expansion of training programmes, especially those offered free of charge to diplomats and accredited delegates, should be commensurate with the level of resources available.

23. He had taken note of the important role of UNITAR worldwide and took the view that measures must be taken to enable the Institute to concentrate on running its programmes and projects without needing to worry about its financial survival.

24. **Mr. Repasch** (United States of America), referring to the report of the Office of Internal Oversight Services on the inspection of programme management and administrative practices of the International Trade Centre UNCTAD/WTO (A/59/229), said that, while he welcomed the renewal undergone by the International Trade Centre (ITC), he was concerned that it had not done enough to ensure that its work became more results-based. Significant improvements were needed in the areas of monitoring and reporting and, in that connection, ITC must fully implement the recommendations of OIOS.

25. Turning to the situation of UNHCR, he said that, while he supported the work carried out by the Office of the High Commissioner, a number of reports relating to its functioning had drawn attention to shortcomings and, in particular, to the need to strengthen its internal oversight capacity. If UNHCR expected the United Nations to increase its financial support, it would have to make similar efforts to improve its governance and effectiveness and to enhance oversight mechanisms.

26. He was opposed to granting the request for a subvention to UNITAR because its activities should be financed by voluntary contributions. He welcomed the measures proposed by the Board of Trustees with a

view to streamlining the Institute's financial structure. Furthermore, although he supported the objectives of the United Nations Institute for Disarmament Research (UNIDIR), it had been established on the understanding that its activities would be funded through voluntary contributions. Consequently, the United States had consistently opposed the granting of requests for subventions. Nevertheless, since the Committee had always approved such requests, he suggested that, in the interest of improved efficiency, they should be submitted on a biennial basis.

27. Lastly, with reference to the conditions of service and compensation for officials other than Secretariat officials, he suggested that reviews of the conditions of service of the officials mentioned in document A/C.5/59/2 should be carried out every five years rather than every three years. According to its report (A/59/557), the Advisory Committee on Administrative and Budgetary Questions (ACABQ) had found a number of uncertainties with regard to the current system, since the cost of living did not fluctuate evenly at all places where the judges of the International Court of Justice and of the Tribunals sat, and had therefore recommended that the Secretary-General should make proposals for the future which took that factor into account. In that connection, he wished to know how those proposals would look if the Secretary-General were to make them at the present time.

28. **Mr. Abbas** (Pakistan), supported by **Ms. Goicochea** (Cuba), expressed his delegation's satisfaction with the work of UNITAR. He took note of the note by the Secretary-General (A/59/271) and urged the Committee to accede to the request contained in paragraph 5 of the annex thereto.

29. **Ms. Zobrist Rentenaar** (Switzerland) endorsed the statements made by the representatives of Norway and the Islamic Republic of Iran. The Secretary-General's report had failed to meet the expectations of her delegation, which did not agree with the use of the 50.8 per cent ratio as a basis for the gradual increase of the United Nations contribution. She looked forward to further discussions of that issue during the informal consultations.

30. **Ms. Udo** (Nigeria) stressed the importance of protecting refugees and the consequent need to support the work of UNHCR. In that connection, she endorsed the statements made by the representatives of Norway and the Islamic Republic of Iran. She also took note of the request for a subvention to UNIDIR and was in favour of acceding to it.

31. Nigeria had always supported the activities of UNITAR and took the view that its programmes were extremely beneficial to delegates. At its fifty-eighth session, the General Assembly had shown considerable support for the Institute and she saw no reason to discontinue that support at the current session.

32. Lastly, she expressed her concern about the late availability of the oral reports of ACABQ and enquired when the Advisory Committee's report on the construction of additional office facilities at the Economic Commission for Africa in Addis Ababa would be issued.

33. **The Chairman**, responding to the query from the representative of Nigeria, said that the Advisory Committee's report was due to be issued that day.

34. **Ms. Baroudi** (Morocco) endorsed the comments made by all those who had expressed support for acceding to the request for a subvention to UNITAR.

35. **Mr. Al-Eryani** (Yemen) reaffirmed the important role played by UNITAR and the significance of the services it provided, free of charge, to delegates. Accordingly, his delegation supported the granting of financial assistance to the Institute.

36. **Mr. Sach** (Director of the Programme Planning and Budget Division), responding to a number of comments relating to the financing of UNHCR, said that regular budget contributions to support the implementation of article 20 of the statute of the Office had been gradually increasing and would continue to do so. However, in order to fund the entirety of the Office's activities under article 20, an amount in the region of $145 million would be required.

37. With regard to a potential contradiction between the Secretary-General's proposal and the provisions of General Assembly resolution 58/270, he cited article 20 of the statute and pointed out that its provisions were subject to interpretation. It was not clear whether or not that article required all administrative expenditures relating to the functioning of the Office of the High Commissioner to be borne by the regular budget.

38. The proposal to move to a situation in which the United Nations regular budget would cover 50.8 per

cent of the management and administrative post and non-post costs of UNHCR had originated at a time of comparative hardship. That target had been set in order to increase the financial obligations of the United Nations to UNHCR but was in no way a ceiling. However, given the magnitude of the sums involved, any further support to the Office would require financing. It was envisaged that, in future, the contribution of the United Nations would continue to be increased by between $2 and $2.5 million each biennium.

39. **Mr. Mirmohammad** (Islamic Republic of Iran), in response to the remarks made by Mr. Sach, said that any doubts concerning the interpretation of article 20 of the statute could be resolved with reference to resolution 58/270, which called for the full implementation of that article.

The meeting rose at 11.20 a.m.